



Washington Real Estate Law

New Homebuyer Protections

Effective January 1, 2024, the statute in Washington that governs real estate brokerage relationships (RCW 18.86) – otherwise known as the “Agency Law” – was significantly revised. The revisions modernize the 25-year-old law, provide additional transparency and consumer protections, and acknowledge the importance of buyer representation.

KEY REVISIONS

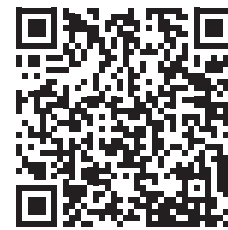
For years, real estate brokerage firms were only required to enter into written agreements with sellers, not buyers. The Agency Law now requires firms to enter into a written “brokerage services agreement” with any party the firm represents, both sellers and buyers. This change is to ensure that buyers (in addition to sellers) clearly understand the terms of the firm’s representation and compensation.

The services agreement with buyers must include:

- ▶ The term of the agreement (with a default term of 60 days and an option for a longer term);
- ▶ The name of the broker appointed to be the buyer’s agent;
- ▶ Whether the agency relationship is exclusive or non-exclusive;
- ▶ Whether the buyer consents to the individual broker representing both the buyer and the seller in the same transaction (referred to as “limited dual agency”);
- ▶ Whether the buyer consents to the broker’s designated broker/ managing broker’s limited dual agency;
- ▶ The amount the firm will be compensated and who will pay the compensation; and
- ▶ Any other agreements between the parties.

ADDITIONAL INFORMATION

There are other changes to the law that provide additional consumer protections related to the duties that brokers owe to all parties in a transaction.



REVISED PAMPHLET

The pamphlet entitled “Real Estate Brokerage in Washington” provides an overview of the revised Agency Law.



REVISED AGENCY LAW

Substitute Senate Bill 5191 sets forth the revised Agency Law in its entirety.

